Royal BC Museum Corporation

Statement of Financial Information
for the Year ended March 31, 2012

Statement of Financial Information Act Approval

The undersigned represents the Board of Directors of the Royal BC Museum Corporation and approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.

Name Faye Zinck
Title Chief Financial Officer, Royal BC Museum Corporation
Date Sept 30, 2012

Name Daphne Corbett
Title Chair, Finance and Audit Committee, Royal BC Museum Corporation

Date Oct 2 2012

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Included in audited financial statements:

- Statement of Financial Position
- Statement of Operations
- Statement of Changes in Net Financial Position
- Statement of Cash Flows

Included separately:

- Schedule of Debts
- Schedule of Guarantee and Indemnity Agreements
- Schedule of Remuneration and Expenses
- Statement of Severance Agreements
- Schedule of Supplier Payments

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

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MANAGEMENT'S REPORT

The financial statements of the Royal British Columbia Museum Corporation have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of the data in these financial statements are management's responsibility. Financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management is also responsible for the safeguarding of financial and operating systems, which include effective controls to provide reasonable assurance that the Corporation's assets are safeguarded and that reliable financial information is produced.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Finance and Audit Committee. The Finance and Audit Committee meets regularly with management and the external auditors have full and free access to the Committee. The Board of Directors, whose members are not involved in the day-to-day activities of the Corporation, are responsible for the review and approval of the financial statements.

Hayes Stewart Little & Co. has audited the financial statements in accordance with Canadian auditing standards.

Sincerely,

Jack Lohman
Chief Executive Officer

Faye Zinck
Chief Financial Officer

Victoria, BC
May 22, 2012

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COMPANY
CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Royal British Columbia Museum Corporation

Report on Financial Statements
We have audited the accompanying financial statements of the Royal British Columbia Museum Corporation, which comprise the statements of financial position as at March 31, 2012, March 31, 2011 and April 1, 2010, and the statements of operations, statements of change in net financial debt and cash flows for the years ended March 31, 2012 and March 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation of these financial statements in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of the presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements of the Royal British Columbia Museum Corporation for the years ended March 31, 2012 and March 31, 2011 and the statement of financial position as at April 1, 2010 are prepared in all material respects in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter
Without modifying our opinion, we draw attention to Note 3(h) to the financial statements which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards. Note 6 to the financial statements discloses the impact of these differences.

Hayes Stewart Little + Co

Victoria, BC
May 22, 2012

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ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2012

	March 31, 2012	March 31, 2011 Restated	April 1, 2010
FINANCIAL ASSETS			
Cash and cash equivalents (Note 3(b))	$ 1,726,584	$ 772,199	$ 1,064,818
Portfolio investments (Note 3(c), Note 8)	1,000,865	989,888	225,845
Accounts receivable	249,988	481,939	335,332
Government grants receivable	-	1,235,737	3,131,201
	2,977,437	3,479,763	4,757,196
FINANCIAL LIABILITIES			
Accounts payable and accrued liabilities	1,784,618	2,488,415	3,579,239
Leave liability (Note 3(j))	316,199	340,988	419,447
Deferred revenue (Note 9)	1,258,374	811,118	703,683
Deferred capital contributions (Note 10)	12,468,744	13,082,086	8,862,565
	15,827,935	16,722,607	13,564,934
NET FINANCIAL POSITION	(12,850,498)	(13,242,844)	(8,807,738)
NON-FINANCIAL ASSETS			
Tangible capital assets (Note 12)	24,986,890	25,683,044	21,387,766
Deferred exhibition costs (Note 3(e))	614,635	269,259	91,777
Prepaid expenses	74,337	82,022	66,644
	25,675,862	26,034,325	21,546,187
ACCUMULATED SURPLUS	$ 12,825,364	$ 12,791,481	$ 12,738,449

Commitments (Note 18)

ON BEHALF OF THE BOARD:

Director

Director

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2012

	2012 Budget (UNAUDITED)	2012 Actual	2011 Actual
REVENUES			
Provincial operating contributions	$ 12,166,000	$ 12,166,000	$ 12,166,000
Museum admission fees and memberships	3,196,000	3,026,290	2,784,678
Other income (Note 13)	1,892,000	3,020,078	2,223,241
Amortization of deferred capital contributions (Note 10)	615,000	613,342	572,847
Donated collections and artifacts (Note 3(j))	-	358,742	897,028
	17,869,000	19,184,452	18,643,794
EXPENSES (Note 15)			
Salaries and benefits	9,056,000	8,862,875	8,607,800
Building costs	2,127,000	2,340,372	2,074,013
Amortization	1,284,000	1,244,130	1,280,199
Security	826,000	896,212	834,068
Taxes, City of Victoria	666,000	671,032	651,977
Special Exhibitions (Note 11)	150,000	193,481	447,591
Other operating costs	3,660,000		
Systems and telecommunications		823,428	812,708
Professional services		675,281	1,258,636
Materials and supplies		350,561	387,132
Archival records storage		408,554	407,681
Marketing and communications		299,885	260,098
Office and business		316,376	301,397
Insurance		181,709	177,398
Travel		142,152	125,337
Bank charges		76,324	61,163
Collections and artifacts	-	358,742	897,028
Donations (Note 14)	-	1,309,455	6,536
	17,769,000	19,150,569	18,590,762
ANNUAL SURPLUS	100,000	33,883	53,032
ACCUMULATED SURPLUS, beginning of year	12,791,481	12,791,481	12,738,449
ACCUMULATED SURPLUS, end of year	$ 12,891,481	$ 12,825,364	$ 12,791,481

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

STATEMENT OF CHANGES IN NET FINANCIAL POSITION

FOR THE YEAR ENDED MARCH 31, 2012

	2012 Budget (UNAUDITED)	2012 Actual	2011 Actual
ANNUAL SURPLUS	$ 100,000	$ 33,883	$ 53,032
Acquisition of tangible capital assets	(505,000)	(547,976)	(5,575,477)
Amortization of tangible capital assets	1,245,035	1,244,130	1,280,199
	840,035	730,037	(4,242,246)
Acquisition of prepaid expense		(73,760)	(82,022)
Use of prepaid expense		81,445	66,644
Acquisition of deferred exhibition costs		(384,439)	(212,363)
Use of deferred exhibition costs		39,063	34,882
		(337,691)	(192,859)
Change in net financial position	840,035	392,346	(4,435,105)
Net financial position, beginning of year	(13,242,844)	(13,242,844)	(8,807,739)
Net financial position, end of year	$ (12,402,809)	$ (12,850,498)	$ (13,242,844)

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
OPERATING ACTIVITIES		
Cash received from the Province of British Columbia	$ 12,166,000	$ 12,166,000
Cash received from admission fees	3,167,615	2,650,680
Cash received from other income	3,576,245	3,046,805
Cash paid for donations	(1,309,455)	(6,536)
Cash paid for salaries and benefits	(9,552,358)	(8,678,401)
Cash paid for building costs, taxes and security	(3,758,928)	(3,831,220)
Cash paid for materials and services	(3,481,655)	(4,367,935)
Cash paid for special exhibitions	(538,857)	(624,317)
Cash provided from operating activities	268,607	355,076
INVESTING ACTIVITIES		
Cash received from disposition of temporary investments	-	(764,040)
Cash received for purchase of tangible capital assets	1,206,474	6,655,155
Cash used to purchase tangible capital assets	(520,696)	(6,538,810)
Cash used for investing activities	685,778	(647,695)
Increase (decrease) in cash and cash equivalents	954,385	(292,619)
CASH AND CASH EQUIVALENTS, beginning of year	772,199	1,064,818
CASH AND CASH EQUIVALENTS, end of year	$ 1,726,584	$ 772,199

1. Nature of operations

The Royal British Columbia Museum Corporation (the "Corporation") is a Crown Corporation of the Province of British Columbia without share capital, incorporated on April 1, 2003 under the *Museum Act*. The Corporation is a tax-exempt body under Section 149(1)(d) of the *Income Tax Act*.

The purpose of the Corporation is to fulfill the Government's fiduciary responsibilities for public trusteeship of the Provincial collections and exhibitions, including specimens, artifacts, archival and other materials that illustrate the natural and human history of British Columbia. The Corporation is dedicated specifically to the preservation of, and education about, the human and natural history of British Columbia. The collection is preserved for future generations of British Columbians.

2. Conversion to Canadian public sector accounting standards

Commencing on April 1, 2011, the Corporation adopted Canadian public sector accounting standards including modifications as described in the Treasury Board Regulation BC 198/2011 under the authority of the *Budget Transparency and Accountability Act*, S.B.C. 2000, c.23, s.23 as the basis for preparing financial statements (note 3(a)). These statements are the first statements for which the Corporation has applied these standards. There is no impact of the conversion on the accumulated surplus at the date of transition.

The management of the Corporation has reviewed PSA standard *PS2125 First-time adoption by government organizations* and has elected not to exercise any of the exemptions to retroactive restatement.

3. Summary of significant accounting policies

(a) Basis of presentation

The financial statements have been prepared by management in accordance Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as described in note 3(h).

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash balances held in Canadian bank accounts.

(c) Portfolio investments

Portfolio investments are investments in organizations that do not form part of the government reporting entity. Equity and derivative investments are recorded at fair value. Fixed income and money market investments are recorded at cost. The related investment income includes interest earned net of investment expenses incurred during the year. Investment transaction costs are expensed as incurred.

Summary of significant accounting policies continued

(d) Financial instruments

The Corporation's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, accounts payable and accrued liabilities all of which are reported at amortized cost.

(e) Revenue recognition

Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made, with the exception of transfers received for capital contributions as described in note 3(h).

Admission and program fees are recognized as revenue on the date the service is provided. Membership fees are recognized as revenue on a straight-line basis over the term of the membership.

Investment, royalty and rental revenues are recognized when earned in accordance with specified agreements when the amounts can be reasonably estimated and receipt is likely.

Grants provided for operational projects by external parties or governments are recognized in the period in which the resources are used, in accordance with the terms of the funding agreement.

Contributions provided for capital projects by external parties or governments are deferred and recognized as revenue on the same basis the related assets are amortized, in accordance with the terms of the funding agreement.

(f) Deferred exhibition costs

Costs of special exhibitions are deferred until the exhibitions are opened to the public and then are expensed over the period of the exhibitions to which they relate.

(g) Tangible capital assets

Tangible capital assets are reported at acquisition cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

• Buildings and improvements	up to 40 years
• Permanent exhibitions	10 years
• Operating equipment	5 years
• Computer hardware and software	3 years
• Vehicles	3 years
• Furniture	5 years

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Summary of significant accounting policies continued

(h) Deferred contributions

Funding received from the acquisition of depreciable tangible capital assets is recorded as a deferred contribution and is recognized as revenue in the Statement of Operations in an amount equal to the amortization expense on the related depreciable assets. This policy is in accordance with Treasury Board Regulation BC 198/2011 under the authority of the *Budget Transparency and Accountability Act*, S.B.C. 2000, C.23, s.23. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and certain eligibility criteria have been met, unless the transfer contains a stipulation that creates a liability, in which case the transfer would be recognized as revenue over the period in which the liability is extinguished. The impact of the difference in this accounting policy on the financial statements is presented in note 6.

(i) Foreign currency translation

Revenue and expense transactions denominated in foreign currencies are translated into Canadian dollars at the exchange rate at the time of the transaction. Financial assets and liabilities are translated into Canadian dollars at the exchange rate prevailing on the year end date. Any resulting exchange gains or losses during the period are recognized in the Statement of Operations.

(j) Collections

In accordance with *PS1000 Financial Statement Concepts*, the collections, including art and historic treasures, are not recorded as assets in the financial statements. Donated collections are recorded as revenue estimated at the fair market value of the gift based on appraisals by independent appraisers. The acquisition of both donated and purchased collections are expensed.

(k) Volunteers

During the year, volunteers contributed approximately 40,000 (2011: 40,000) hours in support of the Corporation. Their activities include guided gallery tours and a variety of programs that enrich the visitor's experience at the Corporation and its profile in the community. Due to the complexities involved in valuing these services, they have not been reflected in the financial statements.

(l) Employee benefit plans

The Corporation and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The Plan is a multi-employer, defined benefit plan, to which the Corporation applies defined contribution plan accounting in accordance with PSA standard *PS3250 Retirement Benefits*. The plan is administered by the British Columbia Pension Corporation, including payment of pension benefits to employees to whom the Act applies, and the Corporation does not have sufficient information to apply defined benefit plan accounting. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions.

Summary of significant accounting policies continued

Employee benefit plans continued

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation (March 31, 2011) has determined the Plan has an unfunded liability of $275 million. The employer contribution rate to the Plan for the fiscal year ended March 31, 2012 remained the same at 8.78% (2011: 8.78%) of the pensionable salary up to the year's maximum pensionable earnings of $50,100 (2011: $47,200) and 10.28% (2011: 10.28%) of pensionable salary in excess of the year's maximum pensionable earnings. As of April 1, 2012, the employer contribution rate to the Plan will increase to 9.43% of the pensionable salary up to the year's maximum pensionable earnings and 10.93% of pensionable salary in excess of the year's maximum pensionable earnings.

The Corporation annually contributes through the Provincial Government payroll benefit plan for specific termination benefits and employee benefits as provided for under collective agreements and conditions of employment. The benefit charge back rate that the Corporation pays through the Provincial Government is 23.90% (2011: 24.50%). Costs of future benefits are recognized as an expense in the year that contributions are paid.

The Corporation administers an accumulated vacation and sick leave bank ("leave liability") consisting of unused vacation and sick time credits earned. The full value of accumulated vacation is paid upon retirement or termination. Up to 60% of the value of sick time credits earned are paid upon retirement or termination.

(m) Use of estimates

In preparing the Corporation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. This includes and is not limited to the useful lives of capital assets.

4. Early adoption

In March 2011, the Public Sector Accounting Standards Board approved the following new PSA standards: *PS1201 Financial Statement Presentation, PS2601 Foreign Currency Translation, PS3041 Portfolio Investments, PS3410 Government Transfers and PS3450 Financial Instruments* which are effective for fiscal periods beginning on or after April 1, 2012. Early adoption is permitted and all standards must be adopted during the same fiscal year. The Corporation has elected to adopt all standards as of April 1, 2011. There is no impact on the accumulated surplus as a result of early adoption.

5. Budget

Budgeted figures were approved by the Legislative Assembly of the Province of British Columbia on February 15, 2011 as provided in the Royal BC Museum Service Plan 2011/12 – 2013/14.

6. Emphasis of Matter

Impact of Accounting for Government Transfers in Accordance with Section 23.1 of the Budget Transparency and Accountability Act

If the Corporation adopted Canadian public sector accounting standards excluding the modifications as described in the Treasury Board Regulation BC 198/2011 under the authority of the *Budget Transparency and Accountability Act*, S.B.C. 2000, c.23, s.23, the impact on the financial statements is presented as follows:

		2012 (Increase)/ Decrease		2011 (Increase)/ Decrease
Statement of Financial Position				
Deferred revenue	$	(1,017,771)	$	(1,080,578)
Deferred capital contributions		12,468,744		13,082,086
Accumulated surplus	$	(11,450,973)	$	(12,001,508)
Statement of Operations				
Other income	$	(62,807)	$	(20,985)
Amortization of deferred capital contributions		613,342		572,847
Capital contributions		-		(4,792,368)
Annual (surplus) deficit	$	550,535	$	(4,240,506)

7. Financial risk management

The Corporation's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, accounts payable and accrued liabilities all of which are reported at carrying value.

It is management's opinion that the Corporation is not exposed to significant liquidity, credit or market risks arising from these financial instruments.

Liquidity Risk: Cash and cash equivalents, and portfolio investments are held with financially sound institutions and as such liquidity risk is not significant.

Credit Risk: Receivable balances consist primarily of trade receivables related to royalties and rents. At the financial statement date, 8.6% of the accounts receivable balance is past due and none is considered to be impaired. As such the Corporation is not exposed to significant credit risk.

Market Risk: Portfolio investments are comprised of units in a money market fund consisting of primarily of short-term treasury bills. As such, risk of loss of principal is insignificant.

8. Portfolio investments

As at March 31, 2012, portfolio investments were comprised of units in the *British Columbia Investment Management Corporation ST2 Fund* with a carrying value of $1,000,865 and market value of $1,001,176 (2011: $989,888 and $989,774) and an annual yield of 0.92% (2011: 0.81%). The fund contains short-term fixed income investments. The investments are publicly traded and fair market values are based on quoted prices at year end. The investment income for the year ended March 31, 2012 was $11,786 (2011: $15,291).

9. Deferred revenue

Deferred revenue includes funds related to grants for restricted operating projects, future gallery rental deposits, advance admission sales, memberships and unredeemed gift cards. There are no operational restrictions associated with the grants received for operating projects.

	2012	2011
Restricted	$ 1,177,853	$ 723,129
Unrestricted	80,521	87,989
Total	$ 1,258,374	$ 811,118

10. Deferred capital contributions

Deferred capital contributions include funds received for construction of permanent exhibitions as well as facilities upgrades including HVAC systems, elevators, lighting and electrical capacity upgrades.

	Balance at March 31, 2011	Additions	Amortized to Revenue	Balance at March 31, 2012
Provincial government	$ 5,628,810	$ -	$ (151,087)	$ 5,477,723
Federal government	3,877,518	-	(168,730)	3,708,788
Other	3,575,758	-	(293,525)	3,282,233
Total	$ 13,082,086	$ -	$ (613,342)	$ 12,468,744

11. Special exhibitions

The Corporation hosts temporary exhibitions to provide a window on the world and encourage repeat visitation. In fiscal year 2012 these included: *Wildlife Photographer of the Year* and *Behind the Scenes Exhibition featuring The Other Emily*. In fiscal year 2011 these included: *Behind the Scenes Exhibition featuring Invasive Species* and *The Other Emily*. Costs allocated to exhibitions are those additional costs which are directly incurred to host the exhibition. Professional service contract expenses include exhibition loan fees where applicable.

		2012		2011
Salaries and benefits	$	26,580	$	64,866
Professional service contracts		60,331		57,450
Marketing and communications		61,510		79,775
Materials and supplies		36,410		242,557
Office and business		5,650		2,943
Total	$	193,481	$	447,591

12. Tangible capital assets

Cost	Balance at March 31, 2011	Additions	Disposals	Balance at March 31, 2012
Land	$ 12,510,140	$ -	$ -	$ 12,510,140
Permanent exhibitions	1,651,047	-	-	1,651,047
Operating equipment	339,188	56,859	(24,910)	371,137
Hardware and software	1,395,862	428,310	(391,983)	1,432,189
Vehicles	24,664	-	-	24,664
Furniture	65,358	-	(27,202)	38,156
Buildings and improvements	12,131,164	273,478	(104,928)	12,299,714
Work in progress	210,671	(210,671)		-
Total	$ 28,328,094	$ 547,976	$ (549,023)	$ 28,327,047

Disposals include fully amortized assets removed from service.

Accumulated Amortization	Balance at March 31, 2011	Amortization	Accumulated Amortization on Disposals	Balance at March 31, 2012
Land	$ -	$ -	$ -	$ -
Permanent exhibitions	1,038,222	164,842	-	1,203,064
Operating equipment	193,403	71,032	(24,910)	239,525
Hardware and software	635,571	470,890	(391,983)	714,478
Vehicles	20,210	4,111	-	24,321
Furniture	45,280	10,351	(27,202)	28,429
Buildings and improvements	712,364	522,904	(104,928)	1,130,340
Work in progress	-	-	-	-
Total	$ 2,645,050	$ 1,244,130	$ (549,023)	$ 3,340,157

Net Book Value	Balance at March 31, 2011	Balance at March 31, 2012
Land	$ 12,510,140	$ 12,510,140
Permanent exhibitions	612,825	447,983
Operating equipment	145,785	131,612
Hardware and software	760,291	717,711
Vehicles	4,454	343
Furniture	20,078	9,727
Buildings and improvements	11,418,800	11,169,374
Work in progress	210,671	-
Total	**$ 25,683,044**	**$ 24,986,890**

13. Other income

		2012		2011
Grants, contributions, royalties, commissions	$	734,854	$	1,265,723
Donations		1,224,196		3,773
Miscellaneous		1,061,028		953,745
Total	$	3,020,078	$	2,223,241

14. Donations

In 2012 a contribution of $1,309,455 (2011: $6,536) was made to the Royal British Columbia Museum Foundation to assist the Foundation in funding future museum and archives projects at the Corporation. $1,212,391 was a restricted donation received by the Corporation for the preservation and access of corporate archival records. The remainder of the contribution is unrestricted. The contribution is part of a long standing economic partnership with the Foundation to assist and support provincial museum initiatives and projects through attracting federal and other foundation monies.

15. Expenses by function

		2012 Budget		*2012 Actual*		*2011 Actual*
Collections, research and access	$	7,403,477	$	7,180,700	$	7,363,609
Exhibitions and visitor experience		6,777,415		6,861,947		6,618,230
Development and fundraising		578,019		507,167		512,357
General and administrative		3,010,089		2,932,558		3,193,002
Collections and artifacts		-		358,742		897,028
Donations		-		1,309,455		6,536
	$	17,769,000	$	19,150,569	$	18,590,672

16. Collections

As at March 31, 2012, the collections consisted of approximately 7.2 million artifacts, specimens and archival records (2011: 7.2 million). During the year, the Corporation de-accessioned 5 batches (2011: 2) and accessioned 213 batches (2011: 147) to its collections through the acquisition, purchase and accessioning process. The collections are valued at $150 million for insurance purposes.

17. The Royal British Columbia Museum Foundation

The Corporation has an economic interest in the Royal British Columbia Museum Foundation (the "Foundation"). The Foundation is an independent organization with its own Board of Directors therefore the accounts of the Foundation are presented separately and are not consolidated in these financial statements. The Foundation was incorporated to support activities on behalf of the Corporation. The principal activities of the Foundation are the operation of the Royal Museum Shop, the management of donations, bequests, endowments and the support of projects undertaken by the Corporation.

The Foundation has internally restricted funds of approximately $3,820,000 (2011 - $3,700,000), which are reserved for specific projects for transfer to the Corporation in future years.

During the year, the following amounts were paid by the Foundation to the Corporation:

		2012		2011
Funding for non-capital projects	$	453,163	$	415,743
Funding for capital projects		-		298,264
Endowment earnings		132,223		-
Gift shop royalties		35,029		6,324
Purchase of goods and services		58,186		70,953
Total	$	678,601	$	791,284

As of March 31, 2012, $86,545 is due from the Foundation to the Corporation and is included in the accounts receivable balance (2011: $169,078).

During the year, the following amounts were paid by the Corporation to the Foundation:

		2012		2011
Unrestricted donation to the Foundation (Note 13)	$	101,688	$	6,536
Transfer of restricted donations (Note 13)		1,212,391		-
Purchase of goods and services		3,776		5,397
Total	$	1,317,855	$	11,933

As of March 31, 2012, $8,569 is due from the Corporation to the Foundation and is included in the accounts payable balance (2011: $0)

During the year, the CEO of the Corporation was independently contracted by the Foundation to provide professional consulting services with respect to fundraising.

18. Commitments

Operating Agreement

The Corporation has entered into a Theatre Operating Agreement for the operation of a large screen motion picture theatre on the Corporation's premises. Under the terms of the Agreement, the Corporation will be paid a royalty from the theatre including certain negotiated adjustments, plus specific amounts for additional operating costs. The term of the Agreement is 30 years and expires June 24, 2028.

Heating and Cooling Contract

The Corporation has entered into a month to month service agreement for the provision of steam, chilled water and natural gas services. Under the terms of the agreement, the Corporation will pay for services as consumed.

Property Management Contract

The Corporation has entered into a five year service agreement for the provision of building management and maintenance services expiring March 31, 2015. Under the terms of the agreement, the Corporation will pay annual management fees as follows:

2013	$	94,554
2014		96,445
2015		98,374
Total	$	289,373

Additionally, the Corporation will pay for direct maintenance costs as incurred by the contractor.

Exhibition Loan Fees

The Corporation has a commitment to disburse $150,000 to the American Museum of Natural History related to the loan of artifacts and objects. Future anticipated payments are as follows:

2013	$	150,000
Total	$	150,000

Lease Commitments

The Corporation has a five year operating lease to rent warehouse space to store oversize artifacts which expires on April 30, 2015. The Corporation also leases operating equipment. Future minimum payments are as follows:

		Warehouse		Equipment
2013	$	166,560	$	1,512
2014		166,560		-
2015		166,560		-
Total	$	499,680	$	1,512

Schedule of Debts

Royal BC Museum Corporation has no outstanding debt instruments at March 31, 2012

Schedule of Guarantee and Indemnity Agreements

This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

Schedule of Remuneration and Expenses

Employees appointed by Cabinet and Members of the Board of Directors

Members of the Board of Directors are volunteers and receive no remuneration for their roles on the Board.

Name	Position
Williams, John (Victoria)	Chair
Hayes, Donald (Vancouver)	Past Chair
Corbett, Daphne (Victoria)	Director
Gustavson, Peter (Victoria)	Director
Kennedy, Lynne (Vancouver)	Director
Knott, Susan (Vancouver)	Director
Lee, Graham (Vancouver)	Director
Segarty, Terry (Cranbrook)	Director
Sanatani, Suromitra (Victoria)	Director
Vandenberg, Margaret (Vancouver)	Director
Wesley, Angela (Terrace)	Director
White, Lillian (Vancouver)	Director

Name	Position	Remuneration	Expenses
Black, Martha	Curator, Ethnology	76,647	3,520
Bridge, Kathryn	Manager, Centralized Access Services	75,451	153
Cannings, Robert	Curator, Entomology	76,058	4,544
Culham, Mac	Manager, Corporate Information and Records	77,480	0
Griffin, Robert	Manager, Human History	85,856	392
Hammond, Lorne	Curator, History	76,647	504
Hanke, Gavin	Curator, Vertebrate Zoology	76,353	504
Hobda, Richard	Curator, Botany & Earth History	77,342	13,759
Lee, Kasey	Manager, Conservation Services	76,353	1,379
Lowings, Pamela	Manager, Property Maintenance & Operations	85,154	108
Marr, Ken	Curator, Botany	76,647	15,861
Mitchell, Gary	Director, Collections, Research & Access	110,620	3,808
Rafferty, Pauline	Chief Executive Officer	260,175 *	18,932
Sendall, Kelly	Manager, Natural History	85,856	1,925
Williams, Angela	Director, Business Operations	112,779	6,974
Willis, Tim	Director, Exhibitions & Visitor Services	112,687	678
Zinck, Faye	Chief Financial Officer	112,687	0
Consolidated total of other employees with remuneration $75,000 or less		5,678,425	
		7,333,217	73,041

* **Note**: CEO remuneration includes $60,685 in archived vacation and retiring allowance payout.
Note: Remuneration includes archived vacation and timed bank payouts.

Reconciliation of Remuneration to Financial Statements

Total remuneration	7,333,217
Reconciling items	
Benefits	1,172,923
CPP and EI contributions reported under Supplier payments	370,867
Salaries and benefits classified under Special Exhibitions	(14,132)
Total per Statement of Revenue and Expenditure	**8,862,875**

Statement of Severance Agreements

In 2011/12 there were no severance agreements between RBCM and its employees.

Schedule of Supplier Payments

Supplier Name	Aggregate Amount
American Museum of Natural History	325,000
BC Hydro	310,021
Black & McDonald	787,752
Canadian Corps of Commissionaires	1,002,426
Cube Global Storage Ltd	38,538
Eclipse Creative	27,997
esolutionsgroup Ltd	107,520
Hayes Stewart Little Co	42,228
Highland Garden Care	62,627
Houle Electric Ltd	82,509
ITM Consulting Solutions	49,050
James Ball	32,726
Kone Inc	88,838
Korn/Ferry International	85,717
Long View Systems	25,698
Marsh Canada Ltd	139,187
Matthews Store Fixtures & Shelving	30,392
Media Beacon Inc	196,825
Metropolitan Fine Printers Inc	32,948
Minisis Inc	126,300
Moloney Painting Ltd	39,666
Natural History Museum	32,515
Pemberton Holmes Ltd	242,386
Pinton Forrest & Madden Group Inc	41,561
Province of BC - BC Public Service Agency	42,090
Province of BC - Corporate Records Mgmt Br	407,938
Province of BC - Legal Services Br	28,437
Province of BC - Ministry of Labour & Citizens' Services	338,873
Province of BC - Provincial Treasury	56,995
Province of BC - Risk Management	50,400
Province of BC - Workplace Technology Services	173,900
Rhino Print Solutions	39,381
Royal BC Museum Foundation	1,313,650
S D R Project Management Ltd	394,031
S Rogers Able Company Ltd	35,672
South Coast Electric Ltd	107,243
Storyline Studio	95,210
Summit Mechanical Systems Inc	40,714
Think Communications Ltd	25,021
Times Colonist	53,246
Truffles Catering	59,998

Prepared under the Financial Information Regulation, Schedule 1, section 7 and the Financial Information Act, section 2

Schedule of Supplier Payments

Supplier Name	Aggregate Amount
Unisource Canada Inc	26,365
United Engineering Ltd	34,558
University of Victoria	26,816
Consolidated total of other payments with aggregate totals under $25,000	2,462,456
	9,763,421
Payments of deferred exhibition costs related to future years	(544,755)
	9,218,666

Reconciliation of supplier payments to financial statements

Total per Statement of Revenue and Expenditure	19,150,569
Add: Payments related to capital purchases	547,976
Less: Amortization	(1,244,130)
Less: Salaries and benefits	(8,862,875)
Less: Salaries and benefits classified under special exhibits	(14,132)
Less: Gifts in kind - collections	(358,742)
	9,218,666